



JOHN CHIANG
California State Controller

February 11, 2013

Laurie Kimbrel, Superintendent
Tamalpais Union High School District
395 Doherty Drive
Larkspur, CA 94939

Dear Ms. Kimbrel:

The State Controller's Office reviewed the costs claimed by Tamalpais Union High School District for the legislatively mandated Standardized Testing and Reporting (STAR) Program (Chapter 828, Statutes of 1997) for the period of July 1, 1997, through June 30, 2004. Our review was limited to ensuring that the California Department of Education STAR Program apportionment was properly offset.

The district claimed \$285,419 for the mandated program. Our review found that \$238,767 is allowable and \$46,652 is unallowable. The costs are unallowable because the district did not report any offsetting reimbursements, as described in the attached Summary of Program Costs, and Finding and Recommendation.

For the fiscal year (FY) 1997-98 claim, the State made no payment to the district. Our review found that \$20,574 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 1998-99 claim, the State made no payment to the district. Our review found that \$24,237 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 1999-2000 claim, the State paid the district \$17,198 from funds appropriated under Chapter 724, Statutes of 2010. Our review found that \$33,740 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$16,542, contingent upon available appropriations.

For the FY 2000-01 claim, the State paid the district \$39,034 from funds appropriated under Chapter 724, Statutes of 2010. Our review found that \$36,164 is allowable. The State will apply \$2,870 against any balances of unpaid mandated-program claims due the district as of October 19, 2010.

For the FY 2001-02 claim, the State made no payment to the district. Our review found that \$37,138 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2002-03 claim, the State made no payment to the district. Our review found that \$69,650 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2003-04 claim, the State made no payment to the district. Our review found that \$17,264 is allowable. The State will pay that amount, contingent upon available appropriations.

We informed Lori Parrish, Assistant Superintendent of Finance and Facilities, of the review results via email on January 28, 2013. Ms. Parrish responded via email on January 29, 2013, agreeing with the adjustment.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/bf

Attachments

RE: S13-MCC-920

cc: Lori Parrish, Assistant Superintendent of Finance and Facilities
Tamalpais Union High School District
Elson Lee, Accounting Coordinator
Tamalpais Union High School District
Mary Jane Burke, County Superintendent of Schools
Marin County Office of Education
Scott Hannan, Director, School Fiscal Services Division
California Department of Education
Carol Bingham, Director, Fiscal Policy Division
California Department of Education
Thomas Todd, Assistant Program Budget Manager
Education Systems Unit, Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

Attachment 1— Summary of Program Costs July 1, 1997, through June 30, 2004

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Review</u>	<u>Review Adjustment ¹</u>
<u>July 1, 1997, through June 30, 1998</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 5,388	\$ 5,388	\$ —
Test materials, supplies, and equipment	234	234	—
Pre-test and post-test coordination	21,907	21,907	—
Test administration	1,910	1,910	—
Reporting and recordkeeping	4,715	4,715	—
Total direct costs	34,154	34,154	—
Indirect costs	2,158	2,158	—
Total direct and indirect costs	36,312	36,312	—
Less offsetting reimbursements	—	(15,738)	(15,738)
Total program costs	<u>\$ 36,312</u>	20,574	<u>\$ (15,738)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 20,574</u>	
<u>July 1, 1998, through June 30, 1999</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 5,516	\$ 5,516	\$ —
Test materials, supplies, and equipment	239	239	—
Pre-test and post-test coordination	22,428	22,428	—
Test administration	1,955	1,955	—
Reporting and recordkeeping	4,828	4,828	—
Total direct costs	34,966	34,966	—
Indirect costs	2,209	2,209	—
Total direct and indirect costs	37,175	37,175	—
Less offsetting reimbursements	—	(12,938)	(12,938)
Total program costs	<u>\$ 37,175</u>	24,237	<u>\$ (12,938)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 24,237</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 5,650	\$ 5,650	\$ —
Test materials, supplies, and equipment	245	245	—
Pre-test and post-test coordination	22,975	22,975	—
Test administration	2,003	2,003	—
Reporting and recordkeeping	4,945	4,945	—
Total direct costs	35,818	35,818	—
Indirect costs	2,264	2,264	—
Total direct and indirect costs	38,082	38,082	—
Less offsetting reimbursements	—	(4,342)	(4,342)
Total program costs	<u>\$ 38,082</u>	33,740	<u>\$ (4,342)</u>
Less amount paid by the State ²		(17,198)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 16,542</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 5,791	\$ 5,791	\$ —
Test materials, supplies, and equipment	251	251	—
Pre-test and post-test coordination	23,549	23,549	—
Test administration	2,053	2,053	—
Reporting and recordkeeping	5,070	5,070	—
Total direct costs	36,714	36,714	—
Indirect costs	2,320	2,320	—
Total direct and indirect costs	39,034	39,034	—
Less offsetting reimbursements	—	(2,870)	(2,870)
Total program costs	<u>\$ 39,034</u>	36,164	<u>\$ (2,870)</u>
Less amount paid by the State ²		(39,034)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (2,870)</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 5,936	\$ 5,936	\$ —
Test materials, supplies, and equipment	258	258	—
Pre-test and post-test coordination	24,138	24,138	—
Test administration	2,104	2,104	—
Reporting and recordkeeping	5,325	5,325	—
Total direct costs	37,761	37,761	—
Indirect costs	2,658	2,658	—
Total direct and indirect costs	40,419	40,419	—
Less offsetting reimbursements	—	(3,281)	(3,281)
Total program costs	<u>\$ 40,419</u>	37,138	<u>\$ (3,281)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 37,138</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 19,213	\$ 19,213	\$ —
Pre-test and post-test coordination	36,132	36,132	—
Test administration	7,295	7,295	—
Reporting and recordkeeping	6,488	6,488	—
Total direct costs	69,128	69,128	—
Indirect costs	4,183	4,183	—
Total direct and indirect costs	73,311	73,311	—
Less offsetting reimbursements	—	(3,661)	(3,661)
Total program costs	<u>\$ 73,311</u>	69,650	<u>\$ (3,661)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 69,650</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 1,546	\$ 1,546	\$ —
Test materials, supplies, and equipment	180	180	—
Pre-test and post-test coordination	11,579	11,579	—
Test administration	3,034	3,034	—
Reporting and recordkeeping	2,561	2,561	—
Total salaries and benefits	18,900	18,900	—
Materials and supplies:			
Test materials, supplies, and equipment	1,083	1,083	—
Total materials and supplies	1,083	1,083	—
Total direct costs	19,983	19,983	—
Indirect costs	1,103	1,103	—
Total direct and indirect costs	21,086	21,086	—
Less offsetting reimbursements	—	(3,822)	(3,822)
Total program costs	\$ 21,086	17,264	\$ (3,822)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ 17,264	
<u>Summary: July 1, 1997, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 49,040	\$ 49,040	\$ —
Test materials, supplies, and equipment	1,407	1,407	—
Pre-test and post-test coordination	162,708	162,708	—
Test administration	20,354	20,354	—
Reporting and recordkeeping	33,932	33,932	—
Total salaries and benefits	267,441	267,441	—
Materials and supplies:			
Test materials, supplies, and equipment	1,083	1,083	—
Total materials and supplies	1,083	1,083	—
Total direct costs	268,524	268,524	—
Indirect costs	16,895	16,895	—
Total direct and indirect costs	285,419	285,419	—
Less offsetting reimbursements	—	(46,652)	(46,652)
Total program costs	\$ 285,419	238,767	\$ (46,652)
Less amount paid by the State ²		(56,232)	
Allowable costs claimed in excess of (less than) amount paid		\$ 182,535	

¹ See Attachment 2, Finding and Recommendation.

² Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

Attachment 2— Finding and Recommendation July 1, 1997, through June 30, 2004

FINDING— Unreported offsetting reimbursements

The district did not report offsetting reimbursements totaling \$46,652 because it did not report any of the Standardized Testing and Reporting (STAR) Program apportionments received from the California Department of Education (CDE) for the review period.

On August 24, 2000, the Commission on State Mandates (CSM) adopted the statement of decision for the STAR Program. The CSM determined that Chapter 828, Statutes of 1997, and the implementing regulations at Title 5, *California Code of Regulations*, sections 850 through 904, imposed upon school districts a state mandate reimbursable under Government Code section 17561, commencing October 10, 1997.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 24, 2002. In compliance with Government Code section 17558, the State Controller's Office issued claiming instructions to assist school districts in claiming mandated program reimbursable costs.

On reconsideration by Statutes of 2004, Chapter 216, section 34; and Statutes of 2004, Chapter 895, section 19, the CSM found that effective July 1, 2004, many of the reimbursable activities were either federally mandated or no longer required, and thus were not reimbursable. Accordingly, the CSM deleted references to the non-reimbursable activities and renamed the program to the National Norm-Referenced Achievement Test Program effective July 1, 2004. This latter program has been suspended since September 30, 2008.

The parameters and guidelines for the STAR Program (section VII) state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, including but not limited to, services fees collected, federal funds and other state funds shall be identified and deducted from the claim.

Education Code section 60640, subdivision (h)(1), specifies that the State Superintendent of Public Instruction shall apportion funds to school districts to enable them to administer the tests within the STAR Program. For the review period, we determined that the district received \$63,934 from the CDE.

We determined the amount that should have been offset by multiplying the total CDE apportionment by the reimbursable mandate percentages, which are based on test results published on the CDE STAR website. The district administered the following STAR tests in the review period: California Standards Test (CST); Stanford Achievement Test, Ninth Edition; California Achievement Test, Sixth Edition Survey; Spanish Assessment of Basic Education, Second Edition; and the California Alternate Performance Assessment (CAPA) test. The CST and CAPA tests are not reimbursable because they were not pled in the test claim that created this mandate.

Based on the CDE's published test results, the reimbursable mandate percentages are as follows: 100% for fiscal year (FY) 1997-98; 74.03% for FY 1998-99; 73.25% for FY 1999-2000; 57.06% for FY 2000-01; 56.69% for FY 2001-02; 54.00% for FY 2002-03; and 53.13% for FY 2003-04.

The following table summarizes the unreported offsetting reimbursement calculation for the review period:

	Fiscal Year							
	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	Total
STAR Program Apportionments:								
CDE apportionment	\$ (15,738)	\$ (17,477)	\$ (5,927)	\$ (5,030)	\$ (5,788)	\$ (6,780)	\$ (7,194)	\$ (63,934)
Mandate-related percentage	× 100%	× 74.03%	× 73.25%	× 57.06%	× 56.69%	× 54.00%	× 53.13%	
Mandate-related apportionment	(15,738)	(12,938)	(4,342)	(2,870)	(3,281)	(3,661)	(3,822)	(46,652)
Less offset CDE apportionment	—	—	—	—	—	—	—	—
Review adjustment	\$ (15,738)	\$ (12,938)	\$ (4,342)	\$ (2,870)	\$ (3,281)	\$ (3,661)	\$ (3,822)	\$ (46,652)

Recommendation

We recommend that the district ensure that all applicable reimbursements are offset against mandated program costs.